

**State Employee Benefits Committee
Tatnall Building, Room 112
Dover, Delaware 19904**

The State Employee Benefits Committee met February 20, 2017. The following people were in attendance:

Committee Members:

Mike Jackson, Director, OMB
Rick Geisenberger, Secretary of Finance
Geoff Klopp, COAD
Mike Morton, Controller General
Trinidad Navarro, Insurance Commissioner
Evelyn Nestlerode, Designee of Chief Justice, Administrator of Courts
Ken Simpler, Treasurer
Dr. Kara Walker, Secretary of DHSS
Keith Warren, Designee of the Lt. Governor

Guests:

Brenda Lakeman, Director, SBO
Faith Rentz, Deputy Director, SBO
Lisa Porter, SBO
Jennifer Bredemeier, Univ of DE
Lisa Carmean, City of Milford
David Craik, Pensions
Wayne Emsley, DRSPA
Karin Faulhaber, PHRST
Jacqueline Faulcon, DRSPA
Hugh Ferguson, DRSPA
Lois Finley, DRSPA
Judy Grant, HMS

Guests (continued):

Darcell Griffith, Univ of DE
Kim Hawkins, City of Dover
Leighann Hinkle, SBO
Eboni Jones, Student
Andrew Kerber, DOJ
Larry Koppenhager, DRSPA
Omaar Masood, OST
Karol Powers-Case, DRSPA
Casey Oravez, OMB, Financial Ops
Sandy Richards, AFSCME-Retirees
Paula Roy, DCSN
Aaron Schrader, SBO
Jim Testerman, DSEA-R
Everett Toomey, DRSPA

Mike North, Aetna
Andrew Brancati, Highmark
Jennifer Mossman, Highmark
Pamela Price, Highmark
Walt Mateja, Truven Consulting
Kevin Fyock, Willis Towers Watson
Chris Giovannello, Willis Towers Watson
Jaclyn Iglesias, Willis Towers Watson

Introductions/Sign In

Director Jackson called the meeting to order at 2:05 p.m. Introductions were made.

Approval of Minutes - handout

Director Jackson entertained a motion to approve the minutes from the February 6th SEBC meeting. Controller General Morton made the motion and Commissioner Navarro seconded the motion. The motion carried.

Director's Report – Brenda Lakeman, SBO

The Open Enrollment (OE) outreaches have begun by engaging a variety of groups in the HR/Benefits field. SBO Communications are well ahead of schedule for this enrollment. In December 2016, a step therapy program was implemented for a generic diabetic medication where different versions had vastly different pricing. The program has resulted in a reduced spend of \$140,000 in just two months. Aetna is sending members a “Being wise about getting well” mailer stressing the difference of using urgent care versus emergency care which includes a magnet. Statewide Benefits is working with Highmark to do a similar mailer.

Financial Reporting

January 2017 Fund & Equity Report - handout – Casey Oravez, Financial Operations

Operating revenues show receipt of the \$8.8M federal reinsurance payment and a \$13.6M Prescription True Up/Yr End reconciliation payment. The Fund and Equity balance is \$70.5M, with \$22.5M in the minimum reserve and a claim liability at \$48M.

FY17 Qtr 2 Financial Reporting, Dashboard & High Cost Claimant Reporting – handout - Willis Tower Watson (WTW)
Chris Giovanelli reported the analysis for the High Cost Claimants (HCC) showing 274 members with claims over \$100K for a total of \$51.2M. One call out is total HCC payments increased 19%. 152 HCC or 52% have been engaged with care management and 24 currently in progress. Other information from the quarterly financial slide deck was shared at the previous SEBC meeting.

Group Health Trend, Claim Liability & Minimum Reserve Discussion – handout - Willis Tower Watson (WTW)
Mr. Giovanelli revisited the FY18 budget projection scenarios which reflect RFP savings and illustrate a number of different trend assumptions with more detail revealed on page 14. WTW will work with OMB Financial Operations on reconciling the financial and trend projections with the annualized Fund and Equity budget projections. WTW presented their recommended claim liability target of \$54.3M and minimum reserve of \$24M sharing details on the methodology for both. The updated claim liability target will be included in the February Fund and Equity report. There was discussion by the SEBC around the appropriate minimum reserve levels to maintain moving forward.

Highmark Care Management Models - handout - Willis Tower Watson (WTW)
The different care management programs that the SEBC can adopt for the Highmark non-Medicare plans were introduced and include the Intensive Model (in place today), Customer Care Advocacy (CCA) model and Custom Care Management Unit (CCMU) model. The key program attributes were outlined and projected net savings reviewed with key drivers. Reported outcomes from modeled to non-modeled clients were covered. Key differentiators and financial comparisons were outlined with much dialogue.

Group Health FY18 Planning – handout - Willis Tower Watson (WTW)
Long term health care cost projections, FY18 and FY19 funding along with savings opportunities were reviewed. It was suggested to track any savings to see how the long term chart can change. Dialogue around savings opportunities for FY18 and FY19 occurred and will continue to be analyzed by the SEBC. The default enrollment options and recommended option for FY18 was reviewed. Concerns raised at the last meeting over potential provider disruption associated with Aetna being the only administrator of a GHIP HMO plan for FY18 revealed that overall access for all GHIP membership was 97.2% of in-network patients remain in Aetna's physician network and 99.9% remain in Aetna's facility network. Disruption of current Highmark HMO membership for physicians providing primary care services is less than 2.0%. Aetna continues to work to try to reach agreement with providers not currently in their network as agreements reached by March 1, 2017, have the greatest likelihood of the physician completing the application and credentialing process and being listed in the DocFind directory during Open Enrollment.

Open Enrollment Planning – handout – Faith Rentz, SBO
Initiatives to drive change were presented along with the three phased enrollment periods and overviews of SBO communications and pre-enrollment activities including efforts to increase awareness around Spousal Coordination of Benefits compliance. Dates and locations for important meetings and other events were also provided.

Public Comments

Mr. Wayne Emsley read his letter addressed to the committee with copies provided to the members.
Mr. Jim Testerman agreed with Mr. Emsley's comments and added that if deductibles were put in place, people would put off care, only to increase costs in the end. He also mentioned concern around the plans being offered to employees and understanding what was going to be different.

Other Business

None

Motions

The Director entertained a motion on the recommendation of Option #1 for the Default Enrollment Option – Default enrollees to similar plans (Highmark HMO and CDH to Aetna HMO and CDH, respectively). Mr. Klopp made the motion and Secretary Geisenberger seconded the motion. Motion carried.

Director Jackson announced the next meeting is March 6, 2017 and asked for a motion to adjourn the meeting. Dr. Walker made the motion and Controller General Morton seconded the motion. Meeting adjourned at 4:42 pm.

Respectfully submitted,

Lisa Porter
Statewide Benefits Office